DOCUMENT RESUME

ED 397 926 JC 960 561

TITLE	Prince George's Community College Annual Cost Containment Report, Submitted to the Maryland Higher Education Commission and the Maryland General Assembly in Compliance with Section 8 of Chapter 465 of the Acts of 1991.
INSTITUTION	Prince George's Community Coll., Largo, MD. Board of Trustees.
REPORT NO	BT97-4
PUB DATE	1 Sep 96
NOTE	19p.; For the 1995 Cost Containment report, see ED 383 379.
PUB TYPE	Reports - Research/Technical (143)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Budgeting; Budgets; College Planning; Community Colleges; *Cost Effectiveness; Educational Economics; *Educational Finance; *Expenditure per Student; Financial Exigency; Financial Support; *Instructional Student Costs; Noninstructional Student Costs; *Retrenchment; School Funds; *State Aid; Tax Allocation; Two Year Colleges
IDENTIFIERS	*Prince Georges Community College MD

ABSTRACT

Each year, the Board of Trustees of Prince George's Community College (PGCC), in Maryland, must submit a report evaluating the effectiveness of PGCC's financial plan to the state's Higher Education Committee and General Assembly. This document provides the report for fiscal year (FY) 1996 divided into four sections. The first section reviews the cost containment measures taken from FY 1992 through FY 1996 to maintain low tuition in spite of cuts in state funding in both direct aid and contribution programs. This section indicates that measures have included an employee furlough; a 17 percent reduction of administrative staff; and tuition increases in FY's 1995 and 1996, raising tuition to $69 per credit hour. The second section analyzes the total cost per full-time equivalent (FTE) student by instructional discipline for FY 1996, indicating that per-FTE costs ranged from a low of $3,617 for Paralegal Studies to a high of $8,458 in Nursing. This section also indicates that the average cost per FTE student was $4,672, lower than the FY 1995 average cost of $4,684. The final section provides data on support provided by Prince George's County to PGCC, as well as an analysis of the level of county support received by four peer institutions. This section indicates that for FY 1997 County contributions represented 25 percent of the PGCC's budget, a decrease of 7.9 percent from FY 1996. Data tables are included. (BCY)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED 397 926

Prince George's Community College

Annual Cost Containment Report

Submitted to the
Maryland Higher Education Commission
And the Maryland General Assembly

In Compliance with Section 8 of Chapter 465
of the Acts of 1991

PRINCE GEORGE'S
COMMUNITY COLLEGE

Report BT97-4
September 1, 1996

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)
This document has been reproduced as received from the person or organization originating it.
☐ Minor changes have been made to improve reproduction quality.
• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY
C.A. Clagett
TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

BEST COPY AVAILABLE

JC 960 561

PRINCE GEORGE'S COMMUNITY COLLEGE
Board of Trustees

Annual Cost Containment Report

Submitted to the
Maryland General Assembly
and the Maryland Higher Education Commission

In compliance with Section 8 of Chapter 465
of the Acts of 1991

September 1, 1996

Introduction

This report satisfies the mandate of Section 8 of Chapter 465 of the Acts of 1991 that by September 1 of each year the Board of Trustees of Prince George's Community College submit a report evaluating the effectiveness of the college's financial plan. The report must include the following:

- cost containment measures taken by the Board to maintain low tuition and moderate future increases in student charges
- a discipline cost analysis identifying high and low cost disciplines
- an analysis of the funding support provided by Prince George's County

In accordance with the above requirements, this report is divided into three sections:

		Page
I.	Cost Containment	2
II.	Discipline Cost Analysis for FY96	7
III.	Analysis of County Funding Support	8

Cost Containment

Historically, Prince George's Community College has been among the most cost-efficient community colleges in Maryland. Its overall cost per student has consistently been among the lowest in the state within its size category. Thus, the college was hit especially hard by the state fiscal crisis of the early 1990s. PGCC sustained three consecutive years of mid-year state funding reversions:

Direct State Aid to PGCC, FY90-95			
Fiscal Year	Budgeted	Reversion	Received
1990	$11,367,820	$ 0	$11,367,820
1991	11,679,772	739,761	10,940,011
1992	11,583,160	2,768,655	8,814,505
1993	11,588,980	1,038,258	10,550,722
1994	10,950,157	0	10,950,157
1995	10,805,335	0	10,805,335

In addition to the cut in direct aid, the state in FY92 also cut its contribution to community college FICA and retirement systems by 25 percent. For PGCC, this amounted to a $0.9 million shortfall, on top of the nearly $2.9 million cut in direct aid. Altogether, the mid-year state funding cuts in FY92 equalled nearly ten percent of PGCC's budget. The college adopted several measures to meet this fiscal crisis. These included an employee furlough (costing employees an average of $1,000 in lost wages), reduction in the rate of compensation paid full-time faculty for summer teaching, implementation of a consolidated instructional services fee, and cost containment measures including a hiring freeze, elimination of conference travel and professional development budgets, and a freeze on all equipment purchases. Only essential purchases of supplies and materials in direct support of instruction and safeguarding life and property were permitted.

The college's budget for FY93 was unchanged from FY92, at $38,372,310. Anticipating state funding cuts, the college adopted several strategies to meet an expected FY93 revenue shortfall of 1.8 million dollars. These included an administrative reorganization, which reduced the administrative staff from 41 to 34, a 17 percent decrease. The college offered employees with 20 years of service an "early out" option. Seventeen employees participated in the Voluntary Resignation

Incentive Program, receiving an incentive payment equal to half of their FY92 salary. Each area of the college also implemented a "downsizing" strategy involving staffing reductions, reduced hours of operation, and other cost savings. Together, these measures, along with the revenues generated by the instructional services fee, were sufficient to meet the actual FY93 funding shortfall of $1.038 million.

Beginning in fiscal year 1994, the state stopped funding any portion of the college's employer share of Social Security (FICA) taxes. In FY93, the state paid $956,359 for PGCC employee FICA. The county agreed to increase its contribution to the college for FY94 to offset the impact of this cut in state aid. In addition to the elimination of the FICA contribution, direct formula state aid to PGCC was less in FY94 than in FY93. However, the measures implemented prior to FY93--the reduction in administrative staff, voluntary resignation program, and area downsizing--along with a decision to spend down its fund balance, enabled the college to fund its FY94 budget without any increases in student tuition or fees.

The college submitted an asking budget for FY95 of $43,100,000, which assumed increases in both county and state aid. Instead of the anticipated increases, state aid was cut below FY94 levels and the county contribution increased by only $350,000. Combined state and county assistance to the college had thus remained stagnant for five years. To meet the revenue shortfall engendered by the lack of anticipated public support, the college reduced its FY95 budget request, negotiated reductions in health insurance costs, and continued its policy of not granting cost-of-living increases to employees. Despite these efforts, the administration determined that a tuition increase would be necessary to fund the $42 million budget deemed necessary to maintain the college's programs and services at acceptable levels. Effective with the Summer I session of 1994, tuition for county residents was raised $9 (to $64.00) per credit hour. In addition, after an analysis revealed that the college was incurring annual losses of $75,000 operating its noncredit senior citizen program, the Board of Trustees adopted a $35 per semester registration fee for students exempt from the payment of tuition by state law. This fee for senior citizens and retired/disabled students enrolled in state-funded noncredit courses had been $20.

The college's Board of Trustees approved an asking budget for FY96 of $43,238,350 on November 10, 1994. The asking budget anticipated that Prince George's County would increase its contribution to the college. On March 8, 1995, the county notified the college that due to a budget shortfall in excess of $100 million its contribution to the college would remain at the FY95 level. This resulted in a final FY96 budget of $41,350,000--1.6 percent *below* the FY95 budget of $42,025,034. This was the first time in college history that the institutional operating budget declined.

To meet this reduced budget, the college (1) eliminated six full-time faculty positions; (2) reduced the number of course sections offered by 10 percent; (3)

increased class sizes by five percent; (4) postponed scheduled initiatives for better serving underprepared students; (5) denied employees a cost-of-living adjustment for the fifth consecutive year; (6) provided reduced longevity step increases for eligible employees of an average of 2.5 percent; (7) increased tuition by $5 per credit hour, effective Summer I, 1995; and (8) increased the senior citizen registration fee from $35 to $50 per term. Additional cost savings to make this budget included $175,000 savings resulting from increased use of managed care health plans, elimination of emergency contingency funds, and continued position consolidation and elimination.

The college's Board of Trustees approved an asking budget for FY97 of $42,904,463 on November 16, 1995. The asking budget included county funding at $12,782,466. The county executive's budget proposed $10,342,754 in aid for PGCC, a $1 million cut from FY96. The county council added $140,000 to the executive's budget proposal, bringing county aid to the college for FY97 to $10,482,754. This resulted in a net county aid decrease of 7.9 percent from FY96--the first time in the college's history that county aid had declined in current dollars.

PGCC Budgeted Revenue Sources, FY94-97				
Source	FY94	FY95	FY96	FY97
State	$10,950,461	$10,805,335	$10,578,383	$10,578,383
County	11,032,466	11,382,466	11,382,466	10,482,754
Students	16,815,941	18,274,000	17,369,154	18,317,558
Other	2,550,466	1,563,233	2,019,997	2,559,997
Total	$41,349,334	$42,025,034	$41,350,000	$41,938,692

The College's Response to Declining Public Support: Summary

To meet the challenge of declining public funding, and to position the college for the new fiscal environment, the following measures have been implemented since 1991:

- **Elimination of cost-of-living increases.** The college has not granted a cost-of-living allowance since FY91. College salary schedules remain as they were then. Thus the minimum salaries at which most new employees are hired have not changed for five years. While this has saved the college money, there is growing concern that the college may be placing itself at a hiring disadvantage in recruiting qualified applicants.

- **Cost containment.** Measures implemented during this period to contain costs have included hiring freezes, elimination of all conference travel, elimination of professional development and training budgets, and freezes on equipment purchases. During the FY92 crisis, only essential purchases of supplies and materials in direct support of instruction and safeguarding life and property were permitted.

- **Employee furlough.** During FY92, twelve-month employees were furloughed seven days, and ten-month employees were furloughed five days. The furlough cost employees $600,000 in lost wages.

- **Faculty summer pay reduction.** A reduction in the rate of compensation paid full-time faculty for summer teaching was implemented in FY92.

- **Instructional Services Fee.** This new consolidated fee, tied to the differential costs of teaching lecture, laboratory, and clinical courses, was implemented during FY92. While simplifying the college's fee structure and introducing a cost-based approach to fee charges, the new fee was also adopted to raise an anticipated $1.5 million in revenue needed to meet the FY92 budget.

- **Administrative reorganization.** To meet anticipated revenue shortfalls in FY93 and beyond, the college abolished seven administrative positions through reallocation of responsibilities. The reduction, from 41 to 34, represented a 17 percent decrease in administrative positions. Five dean and two director positions were eliminated.

- **Voluntary Resignation Incentive Program.** A second measure implemented prior to FY93 was an "early out" voluntary resignation incentive program. Employees with at least 20 years of service were offered 50 percent of their FY92 salary as incentive for early retirement. Ten faculty, three administrators, and four classified staff accepted the offer.

- **Area downsizing.** Vice presidents in each area implemented a downsizing strategy in FY93 that produced annual savings of $800,000. Twenty-seven vacant positions were abolished.

- **Fund balance expenditure.** To meet the FY94 budget without any increases in student tuition or fees, the college spent down its fund balance.

- **Health insurance cost reduction.** The college successfully negotiated cost savings in health insurance costs in FY95.

- **Tuition increase.** To meet the college's budget in FY95, tuition was raised from $55.00 to $64.00 per credit hour, a 16 percent increase.

- **Operating budget decrease.** The college's operating budget in FY96 was 1.6 percent *less* than the FY95 budget, the first time in college history that the institutional operating budget declined.

- **Elimination of full-time faculty positions.** To meet the reduced FY96 budget, the college eliminated six full-time faculty positions.

- **Reduced class offerings.** The number of course sections scheduled in fall 1995 was ten percent below the prior fall's total.

- **Class sizes increased.** Class capacities were increased to accommodate the reduced number of course sections offered.

- **Tuition increase.** To balance the reduced FY96 budget and offset decreased state aid, the college increased tuition $5.00 to $69.00 per credit hour.

- **Savings from staff turnover.** During FY96, 25 vacated positions were filled by new employees at lower salaries, resulting in net annual savings of over $400,000. A cap on salaries of new faculty (a maximum salary offer of $34,049 even if higher placement was warranted) contributed to this savings.

- **Renegotiated fringe benefit costs.** New health, life, and disability insurance agreements saved $275,000 in the FY97 budget.

Discipline Cost Analysis for FY96

This unaudited discipline cost analysis was produced using computer software initially developed by the Maryland State Board for Community Colleges. These programs yield total cost per full-time-equivalent (FTE) student for teaching classes in each instructional discipline. Total costs include faculty compensation, additional direct instructional costs such as laboratory supplies, and indirect overhead costs allocated across all disciplines in proportion to their respective shares of total enrollment.

Several factors influence discipline per-student costs. The dominant type of instructional methodology (lecture, laboratory, or clinical experience), average class size, proportion of adjunct faculty, and the ranks of full-time faculty teaching in the discipline are among the major factors affecting unit costs. Because of the impact of faculty compensation on direct costs, cost differences among disciplines may reflect institutional history as well as inherent productivity differences. A discipline may be less expensive because it is relatively new with faculty at lower ranks, or because it grew during a period when the college was not hiring full-time faculty due to budget constraints.

Per-student discipline costs at PGCC in fiscal year 1996 ranged from $3,617 for paralegal studies to a high of $8,458 in nursing courses. The average for all credit disciplines was $4,672 per FTE--less than the cost per student in FY95 ($4,684).

The legislation specifies that the five most expensive and five least expensive disciplines be identified, as determined by cost per FTE. The five highest and lowest cost disciplines in FY96, based on this unaudited analysis, were as follows:

High and Low Cost Disciplines in Fiscal Year 1996 (Unaudited) Minimum Five FTEs			
Highest Cost per FTE		Lowest Cost per FTE	
Nursing	$8,458	Paralegal Studies	$3,617
Respiratory Therapy	8,387	English as Foreign Lang.	3,660
Drafting	8,118	Sociology	3,762
Office Technology	7,725	History	3,848
Early Childhood Mgt.	7,382	Developmental Math	3,913

Analysis of County Funding Support

Background

Maryland community colleges receive financial support from both the state and their local jurisdiction, as well as revenue from student charges and other income from operations and investments. Statewide, in fiscal year 1995 the 17 locally-governed community colleges received 36 percent of their revenue from local aid, 24 percent from the state, 37 percent from student tuition and fees, and 2 percent from other sources. (If state paid benefits--$23 million contributed to TIAA/CREF and state retirement plans--are included, the percentages change to 34 percent local, 29 percent state, 35 percent students, and 2 percent other.)

The funding contributions of Prince George's County to Prince George's Community College budgets for fiscal years 1988 through 1997 are shown below:

Prince George's County Contributions to PGCC Budget				
Year	County Contribution	PGCC Budget	Percent of Budget	Annual Change
FY88	$7,524,168	$28,310,477	27%	8.2%
FY89	8,131,112	30,070,417	27%	8.1%
FY90	9,036,789	33,648,461	27%	11.1%
FY91	10,032,466	35,830,236	28%	11.0%
FY92	10,032,466	38,372,310	26%	0.0%
FY93	10,032,466	38,372,310	26%	[see note]
FY94	11,032,466	41,349,334	27%	[see note]
FY95	11,382,466	42,025,034	27%	3.2%
FY96	11,382,466	41,350,000	28%	0.0%
FY97	10,482,754	41,938,692	25%	-7.9%

Note: In fiscal year 1993, the county assumed funding of Social Security (FICA) previously paid by the state. The county paid $1 million of the college's FY93 FICA costs. This contribution was built into the budget for FY94, along with the offsetting expense.

The county's commitment to reaching the benchmark contribution of 28 percent of the college's operating budget was finally achieved in FY91 after several

years of sizable annual increases. The fiscal crisis of the early 1990s froze the dollar amount of county aid at $10,032,466, resulting in a drop in the proportion of the college's budget accounted for by local aid, to 26 percent. In FY93, to offset the cost of Social Security payments, no longer paid by the state, the county paid $1 million of the college's FICA costs. This increase was incorporated into the county contribution to PGCC's budget in FY94, which included the offsetting FICA expense. The county increased its contribution in FY95 by $350,000, or 3.2 percent. The county aid amount was unchanged in FY96. In FY97, for the first time in the college's history, the county reduced its contribution to the college. Fiscal year 1997 county aid to PGCC was $899,712 less than in FY96, a decrease of 7.9 percent.

Constant Dollar Analysis

Prices of the goods and services the college purchases generally increase over time. This price inflation is measured by the Higher Education Price Index (HEPI), analogous to the Consumer Price Index (CPI) but based on the prices of goods and services typically purchased by colleges and universities. In time series analyses involving money, it is useful to adjust dollar amounts by a price index to better appreciate the trend in real buying power. In constant dollars, the county's contribution to PGCC was essentially the same in FY95 as in FY91, despite the fact that it was $1.35 million higher in current dollars.

County Contribution to PGCC in Inflation-adjusted Dollars				
Year	County Contribution	HEPI (1995 = 100)	Contribution in Constant 1995 Dollars	Annual Percent Change
FY87	$6,956,591	71.9	$9,676,981	
FY88	7,524,168	75.0	10,026,252	3.6%
FY89	8,131,112	79.0	10,295,729	2.7%
FY90	9,036,789	83.8	10,783,773	4.7%
FY91	10,032,466	88.2	11,373,741	5.5%
FY92	10,032,466	91.2	10,995,111	-3.3%
FY93	11,032,466	94.0	11,731,166	6.7%
FY94	11,032,466	97.2	11,350,190	-3.2%
FY95	11,382,466	100.0	11,382,466	0.3%

Peer Comparisons

In the following sections, several ways of assessing the relative contribution of local aid to Maryland community colleges are reviewed. The peer counties selected for this analysis included Anne Arundel, Baltimore, Howard, and Montgomery. For comparisons among colleges, of the three in Baltimore County, Catonsville and Essex were included but Dundalk, due to its smaller size, was not. Howard Community College, though smaller than the others, was included in the analysis due to its suburban setting and location in the Baltimore-Washington corridor. The data analyzed were the most recent readily available.

Dollar Amount of Aid

Montgomery County provided $35 million to Montgomery College in FY97, an amount greater than that provided by any other jurisdiction to its community college. Baltimore County, despite a reduction of nearly 8 percent from the prior year, provided $26.7 million to Catonsville, Dundalk, and Essex community colleges. Anne Arundel County, partly in recognition of recent low levels of support documented later in this report, increased its aid to Anne Arundel Community College by 20 percent or $2.3 million. Prince George's County cut its aid to PGCC by $899,712 or nearly 8 percent:

Dollar Amount of County Aid to Operating Budgets, FY96-97			
College	FY96 Aid	FY97 Aid	96-97 Change
Montgomery	$34,781,712	$35,081,712	0.9%
Baltimore	29,029,775	26,728,934	-7.9%
Anne Arundel	11,509,000	13,834,000	20.2%
Prince George's	11,382,466	10,482,754	-7.9%
Howard	9,494,250	9,709,250	2.3%

County Share of College Operating Revenues

Statewide, county aid provided 36 percent of community college unrestricted revenues in FY95. Local aid shares of college revenues vary substantially by college. Montgomery County provided 43 percent of Montgomery College's operating revenues in FY95. Howard County provided nearly as high a level of support to its community college, at 40 percent. Prince George's County provided 28 percent of PGCC's revenues for FY95. Shares for the FY91-95 period were as follows:

County Aid Percentage of College Operating Revenues					
College	FY91	FY92	FY93	FY94	FY95
Montgomery	47%	47%	42%	42%	43%
Howard	46	45	40	41	40
Essex	42	41	30	32	36
Catonsville	39	37	29	30	33
Anne Arundel	38	36	32	32	32
Prince George's	29	28	26	28	28

Prince George's County has historically provided less than a third of the college's revenues. As the above table shows, PGCC's peers have had larger shares of their operating revenues contributed by their counties.

County Aid per FTE Student

How much aid have counties provided per student? While aid is not allocated on this basis, calculation of county aid per full-time-equivalent student does provide a different way of assessing local support of community colleges. In fiscal year 1995, Montgomery County provided $34,094,025 to the operating budget of Montgomery College. The college generated 12,247 full-time-equivalent students (FTEs) for an average county contribution of $2,784 per FTE. At the opposite extreme was Anne Arundel County, which provided $1,310 per FTE in fiscal year 1995:

County Aid per Full-time-equivalent Student, FY95			
County	Aid to Community College	FTE Students	County Aid per FTE
Montgomery	$34,094,025	12,247	$2,784
Howard	8,896,000	3,612	2,463
Essex	10,175,264	6,684	1,522
Catonsville	11,377,278	7,705	1,477
Prince George's	11,382,466	8,428	1,351
Anne Arundel	10,730,550	8,194	1,310

Over time, trends in both enrollment and county support have produced the following pattern in per-student local aid:

County Aid per Full-time-equivalent Student, FY91-95					
College	FY91	FY92	FY93	FY94	FY95
Montgomery	$2,494	$2,504	$2,319	$2,580	$2,784
Howard	2,117	2,011	1,915	2,375	2,463
Essex	1,434	1,450	1,196	1,266	1,522
Catonsville	1,358	1,376	1,203	1,285	1,477
Pr. George's	1,051	1,059	1,060	1,222	1,351
Anne Arundel	1,191	1,289	1,255	1,251	1,310

Share of County Budgets Contributed to Community Colleges

Another way to assess relative county support for community colleges is to calculate the percentage of the counties' general fund expenditures contributed to the college boards of trustees. The Maryland Department of Fiscal Services presents the necessary data in their annual *Local Government Finances in Maryland* publication. For example, in FY94 Prince George's County allocated $11 million to PGCC out of total general fund expenditures of $876 million, or 1.3 percent of its budget:

Percentage of County General Fund Expenditures Contributed to Local Community Colleges, FY94			
County	Total County General Fund Expenditures	Contribution to Community College	Percent of County Expenditures
Baltimore	$919,037,939	$27,036,734	2.9
Howard	322,948,500	8,402,868	2.6
Montgomery	1,427,817,767	32,626,000	2.3
Anne Arundel	508,908,075	10,216,520	2.0
Prince George's	875,834,854	11,032,466	1.3

The share of the county's general funds allocated to PGCC slipped slightly in FY95:

Percentage of County General Fund Expenditures Contributed to Local Community Colleges, FY95			
County	Total County General Fund Expenditures	Contribution to Community College	Percent of County Expenditures
Baltimore	$1,001,833,573	$28,695,474	2.9
Howard	353,768,062	8,896,000	2.5
Montgomery	1,491,640,840	34,094,025	2.3
Anne Arundel	548,494,020	10,730,550	2.0
Prince George's	977,885,754	11,382,466	1.2

Trends in the percentage of county general expenditures contributed to community colleges over the FY91-FY95 period were as follows:

Percentage of County General Fund Expenditures Contributed to Local Community Colleges					
County	FY91	FY92	FY93	FY94	FY95
Baltimore	3.3	3.4	3.1	2.9	2.9
Howard	2.4	2.5	2.4	2.6	2.5
Montgomery	2.4	2.5	2.2	2.3	2.3
Anne Arundel	2.2	2.3	2.1	2.0	2.0
Prince George's	1.1	1.3	1.3	1.3	1.2

As the above table documents, Prince George's County has consistently allocated considerably less to its community college than peer counties have contributed to their community colleges.

Share of Total County Expenditures from All Revenue Sources

An alternative way of examining county support based on expenditure data is to examine the share of total county expenditures of revenue from all sources including restricted fund federal and state grants. The Department of Fiscal Services included this analysis for major expenditure functions in its *Local Government Finances* reports. In FY94, Prince George's County expended a total of $1,629,639,945. Of this amount, $44,540,027 was expended at PGCC according to the DFS report. By this method, PGCC accounted for 2.7 percent of total Prince George's County expenditures for fiscal year 1994. In contrast, Baltimore County allocated $106,511,098 out of total expenditures of $1,288,298,989, or 8.3 percent, to its three community colleges. Anne Arundel County spent 5.4 percent of its total expenditures on Anne Arundel Community College, or twice the percentage spent by Prince George's County on PGCC:

Percentage of Total County Expenditures Contributed to Local Community Colleges, FY94

County	Total County Expenditures	Contribution to Community College	Percent of Total County Expenditures
Baltimore	$1,288,298,989	$106,511,098	8.3
Anne Arundel	843,636,609	45,251,199	5.4
Howard	507,643,904	25,609,554	5.0
Montgomery	2,044,207,246	97,011,323	4.7
Prince George's	1,629,639,945	44,540,027	2.7

All five jurisdictions had greater total county expenditures in FY95 than in FY94. All except Anne Arundel also had higher expenditures at their community colleges. College expenditures increased less than county expenditures in Baltimore and Prince George's, so the college share of total expenditures by these counties declined. Expenditure growth at Howard Community College and Montgomery College exceeded their respective counties' growth, so the community college share of total county expenditures increased. Baltimore County continued to expend the largest share for community colleges, at 7.6 percent. Howard Community College's share of county expenditures increased to 5.5 percent. Prince George's County continued to expend the smallest proportion of its total on PGCC, at 2.5 percent in FY95.

Percentage of Total County Expenditures Contributed to Local Community Colleges, FY95			
County	Total County Expenditures	Contribution to Community College	Percent of Total County Expenditures
Baltimore	$1,432,429,692	$108,562,048	7.6
Howard	550,167,314	30,226,718	5.5
Montgomery	2,267,537,183	107,804,728	4.8
Anne Arundel	926,200,830	42,979,255	4.6
Prince George's	1,795,809,684	45,150,219	2.5

The percentages of total county expenditures allocated to each county's community colleges during the FY91 through FY95 period were as follows:

Percent of Total County Expenditures Expended for Local Community Colleges					
County	FY91	FY92	FY93	FY94	FY95
Baltimore	7.8	7.4	8.1	8.3	7.6
Howard	4.6	4.4	4.5	5.0	5.5
Montgomery	4.7	5.1	4.9	4.7	4.8
Anne Arundel	4.6	4.5	4.9	5.4	4.6
Prince George's	2.5	2.6	2.8	2.7	2.5

Inclusion of expenditures of restricted fund revenues does not change the central finding that Prince George's County has expended a substantially smaller share of its revenues on its community college than its peer counties have expended on their community colleges.

County Aid and Student Charges

The legislation mandating this report requires reporting of the relationship between tuition levels and county contributions. Due to constrained public support, student charges have been raised four times since FY91. Tuition and fees were not

raised in fiscal year 1997:

Prince George's Community College Tuition and Required Fees per Credit Hour for Full-time County Residents			
Fiscal Year	Tuition	Fees	Total
FY97	$69.00	$17.33	$86.33
FY96	69.00	17.33	86.33
FY95	64.00	17.33	81.33
FY94	55.00	17.33	72.33
FY93	55.00	17.33	72.33
FY92	55.00	3.67	58.67
FY91	50.00	3.00	53.00

The relationship between county aid and student tuition and fee levels among the colleges studied was mixed. Prince George's, with relatively low local aid, had the highest tuition and fee charges. Yet the second and third highest tuition and fee charges were at Howard and Montgomery, recipients of the most generous county aid. In FY95 Anne Arundel had relatively low county aid and moderate student charges; the fiscal difficulties associated with this combination were rectified in FY97 with an infusion of $2.325 million new dollars in county aid--a 20 percent increase over the FY96 aid amount.

County Aid per FTE and Student Charges		
College	FY95 County Aid per FTE	Tuition/fees per Hour
Montgomery	$2,784	$70
Howard	2,463	80
Essex	1,522	60
Catonsville	1,477	60
Prince George's	1,351	86
Anne Arundel	1,310	63

Sources

Department of Fiscal Services, Maryland General Assembly. 1996. *Local Government Finances in Maryland for Fiscal Year Ended June 30, 1995.*

Maryland Association of Community Colleges. 1995. *Databook*.

Maryland Community College Research Group. 1996. MCCRG electronic discussion list.

Prince George's Community College, Office of Information Systems. 1996. Discipline cost analysis report FIB322.

Prince George's Community College, Office of Institutional Research and Analysis. 1995. *Annual Cost Containment Report*.